Lower import tariffs on textiles products

179. SHRI RUMANDLA RAAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether the India cotton textiles industry, especially the spinning segments, is seeking improved market access before it concedes to pressures for lower import tariffs on textiles products;

(b) if so, whether industry representatives were involved in the high level meetings of the groups formed to suggest steps relating to market access negotiations with respect to textile items;

(c) whether the Union Government has accepted the suggestions of the industry representatives which seeks greater market access; and

(d) if so, the steps and assistance being provided to the textile industry?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) to (c) Tariff negotiations on non-agricultural products, including textiles, has commenced in the World Trade Organisation (WTO) following the Doha Ministerial Declaration. The objective of the negotiations is improvement in market access, in particular on products of export interest to developing countries. Further, developing countries are expected to offer less than full reciprocity in reduction commitments.

The Textile Commissioner had constituted two Industry Groups for making recommendations on market access negotiations for textile items. The Industry Groups which included, representatives from Cotton Textile Industry, had made recommendations to the effect that reduction of import duties for textile products in India should be proposed provided there was more than comparable reduction in the import duties of our major importing countries, our competing countries effected similar reductions and Government took necessary decisions for improving the competitiveness of Indian textile industry.

At this stage the modalities for the negotiations are being discussed in the WTO and once the modalities are finalised the actual tariff negotiations would begin. India has submitted its proposals on modalities to the WTO on 30th December, 2002 after holding inter-ministerial discussions and consultations with other stakeholders.

(d) Government have been taking several steps from time to time to strengthen the textile industry. Some of the important initiatives are:

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(ii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures.This further encourages modernisation.

(iii) Technology Mission of Cotton has been launched for initiating focussed steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

(iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought from 15% to 5%.

(v) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

(vi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the textile products pre-tested for conforming to the requirements of importing countries.

(vii) For upgrading infractructure facilities at important textile centres, a scheme Textile Centre Infrastructure Development Scheme (TCIDS) has been launched.

Export of textiles to U.S.

180. SHRI RUMANDLA RAAMACHANDRAYYA: Will the Minister of TEXTILES be pleased to state:

(a) whether there has been a jump of 9 per cent in the textiles exports to U.S. in April-July, 2002;

(b) if so, the reasons therefor;

(c) whether it is higher than the previous year during the same period;

(d) if so, to what extent; and

(e) the steps Government proposes to take to improve the textile exports to U.S. during 2003?

THE MINISTER OF STATE IN THE MINISTRY OFTEXTILES (SHRI BASANGOUDA R. PATIL): (a) Yes, Sir.

(b) In view of the restoration of normalcy and revival of global demand, the textile exports to USA are again back on path of export growth.

(c) Yes, Sir.

(d) As per available DGCI&S data, the textile exports to USA during the period April-July, 2002 amounted to US$ 992.5 million as compared to export of US$ 905.3 million during the corresponding period of 2001, recording a growth of 9.3%.

Due to the slowdown in the economies of some of our major trading partners like US, September 11 events, Afghan war etc. the textile exports to USA showed a negative growth in 2001 -2002.